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SECURITY INFORMATION

8 September 1952

**US OFFICIALS ONLY**

CIA No. 49796  
Copy No. 38

**TOP SECRET SUPPLEMENT**

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SOUTHEAST ASIA

1. Chinese Communist units reported still in Indochina: An  
25X1X [REDACTED] states that Chinese Communist units which entered northwest Tonkin over six weeks ago to aid the Viet Minh against French-supported guerrilla tribesmen are still there. They have not penetrated farther south, however, suggesting that this is a local action rather than a pre-invasion move.

It is expected that the Chinese forces will return to China about the middle of September, leaving one Chinese battalion to assist the Viet Minh. [REDACTED] 25X1A

25X1A [REDACTED] FOR CRITICAL SECURITY REASONS this report is not to be further transmitted within the United States or beyond the borders of the United States without the express permission of the releasing office.)

25X1X Comment: [REDACTED] reported 5,000 to 6,000 Chinese Communist troops fighting alongside Viet Minh troops against the French-supported guerrillas in late July. These forces are apparently the same as those referred to above.

There have been three such incursions into Indochina during 1952.

25X1C

2. Communist-led revolt in Indonesia scheduled for 7 October: [REDACTED] reports that a Communist-led coalition of leftist, militant Moslem, and Indonesian Army elements have planned a "united revolutionary action" to overthrow the Indonesian Government. The rebellion is scheduled to begin 7 October in Sumatra and Java.

Guerrilla warfare will be waged in Sumatra to pin down Indonesian troops and to disrupt the economy and communications

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while the main effort will be on Java. An attempt will be made to seize key government officials in the initial stages of action. [REDACTED] FOR CRITICAL SECURITY REASONS this report is not to be further transmitted within the United States or beyond the borders of the United States without the express permission of the releasing office.) 25X1A

Comment: Indonesian guerrilla forces in Java have shown increased strength and coordination during the past six months, but do not appear capable of a sustained military campaign. There is no evidence that a significant number of Indonesian Army forces have defected or will defect to the Communists or militant Moslems.

The Indonesian Government is believed capable of suppressing the predicted attack.

EASTERN EUROPE

3. Bulgarian Premier reportedly liquidated: Premier Vulko Chervenkov has allegedly been liquidated and will probably be replaced by Vice Premier Ivan Mikhailov or Vice Premier Georgi Chankov, [REDACTED] 25X1X

25X1X

25X1C Chervenkov has not been seen at any public functions since 2 July. [REDACTED] believes that his removal may be related to a Bulgarian inspection trip reportedly made by Beria and Vyshinsky in June. [REDACTED] FOR CRITICAL SECURITY REASONS this report is not to be further transmitted within the United States or beyond the borders of the United States without the express permission of the releasing office.) 25X1A

Comment: There is no evidence to support this or other recent reports that Chervenkov has been purged. The Bulgarian Premier took active part in the regional conference of the Bulgarian Communist Party held at Stalin on 10 August, and he has been eulogized in numerous recent public pronouncements, including the official slogans for the Liberation Day celebration on 9 September.

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WESTERN EUROPE

4. Vyshinsky reportedly urges neutrality upon Italy:  
Foreign Minister Vyshinsky in late May idealized the position of a "neutral Italy" to the Italian Ambassador in Moscow,

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25X1C

[REDACTED] He pointed out that a change in Italy's course would put it in an advantageous position, "economically as well as politically," to obtain much more from all concerned. Ambassador Di Stefano had no doubt that a warning to both Italy and the Western powers was implied.

Vyshinsky also expressed interest in the possibility of direct negotiations between Italy and Yugoslavia on Trieste. He emphasized that the USSR would reserve the right to oppose any settlement arrived at without its agreement, and that the "temporary nature of the present regime in Yugoslavia" does not affect the Soviet attitude regarding Trieste. [REDACTED]

25X1A

[REDACTED] FOR CRITICAL SECURITY REASONS this report is not to be further transmitted within the United States or beyond the borders of the United States without the express permission of the releasing office.)

25X1A

Comment: The new Italian Ambassador had an interview with Vyshinsky on 24 May in connection with presenting his credentials.

Nothing is known of the nature of the conversation, but this account is in line with Nenni's report that Stalin offered a non-aggression pact if Italy would abandon its pro-Western policies and espouse neutrality.

5. Western powers vulnerable on Austrian occupation costs:  
American officials in Vienna believe that the perennial question of occupation costs payments may be particularly difficult this year. Although not too burdensome on the Austrian economy, the reimbursement of Allied expenses has become "an emotional question" which may be further exacerbated in the coming election campaign.

These officials note that in 1950 and 1951 the Russians were prepared to accept a lower figure than either the British or French. Should the USSR extend its new "liberal" Austrian policy to the question of occupation costs, the Western powers would be placed in an "awkward situation." (TS Vienna 588, 28 Aug 52)

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Comment: The right-wing opposition in Austria has already indicated that Western occupation policies will be exploited to the full in the next elections, and the Socialist Vice-Chancellor has urged some alleviation of the occupation burden if no state treaty is forthcoming.

The Russians can be expected to use every opportunity to make political capital of British and French demands.

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